



City of San Gabriel
STAFF REPORT

DATE: August 21, 2018
TO: Honorable Mayor and City Council
FROM: Mark Lazzaretto, City Manager
BY: Thomas C. Marston, Finance Director
SUBJECT: **2018-19 Fiscal Year Retirement Rate**

SUMMARY

The City's retirement costs are funded by a special property tax levy authorized by the voters in 1948. The special property tax levy approved by the voters requires the City Council to annually establish a tax rate sufficient to meet the City's obligations to the state employees' retirement system. No change in the tax rate is recommended for the 2018-19 fiscal year and the City Council is asked to confirm the current rate and fix the amount of property taxes to be generated by adopting two Resolutions.

INTRODUCTION

The City's retirement costs are funded by a special property tax levy that was authorized by the voters in a 1948 election. Each year, the City sets a tax rate that will generate sufficient revenues to meet the retirement obligations.

ANALYSIS

The proposed levy is estimated to generate \$7,000,000 in the 2018-19 fiscal year. The current estimated Fund Balance in the Retirement Fund will be sufficient to cover the retirement costs authorized in 1948 for the 2018-19 fiscal year and maintain a cash reserve at June 30, 2019 currently estimated to be \$581,612.

In order to generate the required special property tax revenues, it is necessary to set the tax rate at 14 cents per \$100 of assessed valuation. This rate was approved at 14 cents per \$100 of assessed valuation in fiscal year 2005-06 and has not changed since.

Two Resolutions are presented for adoption by the City Council. The first Resolution fixes the amount of property taxes to be generated for the 2018-19 fiscal year. The second Resolution sets the tax rate. The approved Resolutions must be forwarded to the Los Angeles County Auditor Controller's office as soon as practical.

The special property tax levy approved by the voters of San Gabriel in 1948 requires the City Council to annually establish a tax rate sufficient to meet the City's obligations to the state employees' retirement system. No change in the tax rates is required this year, therefore the City Council is asked to confirm the current rate of 14 cents per \$100 assessed valuation for the 2018-19 fiscal year.

RECOMMENDATION

Adopt the Resolutions fixing the amount of property taxes to be generated for the City's employees' retirement cost for the 2018-19 fiscal year and setting the tax rate at 14 cents per \$100 assessed valuation.

ATTACHMENTS

Resolution 18-34: Fixing the rates of taxes and levy

Resolution 18-35: Fixing the amount necessary to be raised

PLEASE NOTE:

Resolution 18-34 is being prepared and will be presented to the City Council prior to the meeting on Tuesday, August 21, 2018

RESOLUTION 18-34

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN GABRIEL FIXING
THE RATES OF TAXES AND LEVYING TAXES FOR THE FISCAL YEAR BEGINNING
JULY 1, 2018**

THE SAN GABRIEL CITY COUNCIL DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That for the purpose of raising the sum of money necessary to be raised by taxation upon the taxable property of the City of San Gabriel as a revenue to carry on the various departments of said City for the fiscal year beginning July 1, 2018, the rate of taxes for the City of San Gabriel are hereby fixed and taxes are hereby levied on all taxable property in said City for the fiscal year beginning July 1, 2018 in the number of cents upon each one hundred dollars of assessed value of said property as assessed by the County Assessor and equalized by the Board of Supervisors of the County of Los Angeles and for the fund and purpose set forth in the following table, the taxes levied upon property in each portion of said City hereinafter described and designated by a Taxation District number being at the rates set opposite the designations of the respective fund in the column headed by the Taxation District number which is prefixed to the descriptions of said portion of said City as hereinafter stated.

Taxation District No. 1 - All that portion of the City indicated within the boundaries thereof as the same existed on July 1, 2018:

TABLE

ASSESSED VALUATION:

Taxing Agencies 244.01 & 244.02 \$ 5,305,816,694

City's indebtedness to State

Employees' Retirement System

as set forth in Ordinance No.

540 authorized at election held

April 13, 1948

TOTAL TAX RATE \$ 0.140000

Section 2. The City Clerk shall certify to the adoption of this resolution and shall cause the same to be posted in three public places in the City.

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PASSED, APPROVED, AND ADOPTED by the San Gabriel City Council
this 21st day of August, 2018.

John Harrington, Mayor
City of San Gabriel, California

ATTEST:

Julie Nguyen, City Clerk
City of San Gabriel, California

RESOLUTION 18-35

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN GABRIEL FIXING
THE AMOUNT OF MONEY NECESSARY TO BE RAISED BY TAXATION FOR THE
2018-19 FISCAL YEAR**

WHEREAS, Section 51508 of the Government code requires that before fixing the rate of taxes the legislative body of a City, which has transferred duties of the assessor and tax collector shall fix by ordinance or resolution the amount of revenue from property taxes necessary to support its departments for the current year and to pay the bonded or other indebtedness of the City; and

WHEREAS, the City of San Gabriel has transferred the duties of assessor and tax collector to the County of Los Angeles.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Gabriel that the amount of money necessary to be raised by taxation for the fiscal year 2018-19 upon the taxable property within the City of San Gabriel is as follows:

- (A) For City's indebtedness to State Employees' Retirement System authorized at election held April 13, 1948, the sum of Eight million, three hundred twelve thousand, nine hundred twenty-eight dollars - \$8,312,928.

FURTHER, the City Clerk shall certify to the adoption of this Resolution and shall cause the same to be posted in three public places in the City.

FURTHERMORE, this Resolution shall be in full force and effect immediately upon its adoption.

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PASSED, APPROVED and ADOPTED by the San Gabriel City Council this 21st day of August 2018.

John Harrington, Mayor
San Gabriel City Council

ATTEST:

Julie Nguyen, City Clerk
City of San Gabriel